

# **Administrative Offer Summary (AOS) Policy Change (March 2013)**

Washington State Department of Transportation (WSDOT) is changing its policy in reference to administrative offers made to property owners that are \$10,000 or less to realign with current federal requirements under 49 CFR 24.102(c)(2)(ii)(c). Current WSDOT policy requires that the acquiring agency offer the property owners the opportunity for an appraisal if an administrative offer is made, and the policy change will follow federal regulations that only require the agency to offer the opportunity for an appraisal if the AOS is greater than \$10,000 but less than \$25,000.

**Effective date** – date that revisions are posted in the ROW Manual (estimated March 29, 2013)

Property owners are entitled to benefits and protections in effect as of the date of initiation of negotiations (ION) for the parcel in question. The ION means the delivery of the initial written offer of just compensation by the Agency to the owner or owner's representative to purchase the real property for the project. Reference 49 CFR 24.2(a)(15).

For projects underway as of the effective date, the applicable rules are as follows:

1. If the (ION) occurred for a parcel before the effective date and an AOS was used, property owners need to be provided with the opportunity to request an appraisal of their property.
2. If the ION did not occur for a parcel before the effective date, property owners only need to be provided with the opportunity to request an appraisal if the AOS is greater than \$10,000 but less than \$25,000.
3. If a project is underway and the ION has occurred for some, but not all parcels, the agency must provide consistent treatment and procedures across that project by following the old procedures for all parcels.

WSDOT will provide training to WSDOT staff, local agency ROW staff and ROW consultants prior to its implementation. Training will consist of a GoToMeeting with a power point presentation. It is estimated that all training will be provided by the end of March 2013.

## **Affected manuals that will require revisions are as follows:**

- ROW Manual
  - o Chapter 4 – Appraisal
  - o Chapter 6 – Acquisition ☐ Offer Letter (RES-350)
  - o Chapter 15 – Oversight of Local Agency ROW Program
- LAG Manual – Chapter 25 o Appendix 25.175
  - o Appendix 25.185
- Transportation Property Needs and You Brochure

**Monitoring and Reporting:**

**WSDOT:** For the next six months, the region RES manager will be responsible for providing a copy of each AOS as they are approved to the Acquisition Program Manager so HQ can monitor and track trends. As they are brought to his attention by the Acquisition Program Manager, the Appraisal Program Manager will address issues as they arise throughout the six month review. At the end of the review period, WSDOT will supply a report to FHWA that will include issues and trends. The report will discuss how successful the implementation of the new policy has been and will include a supporting conclusion as to whether the monitoring will end as there are no concerns, that there are significant issues and WSDOT needs to reconsider the policy, or there are some issues and additional monitoring is warranted.

**Local Agency Program:** For the next six months, as part of the established 25% certification/spot check review, Local Agency Coordinators (LAC) will look at the PFE or equivalent on each project to determine they are reviewing a mix of acquisition files that will include AOS parcels. The Project Review Checklist will be modified to include an area to record the number of AOS used on the project. As they are brought to his attention by the Local Agency Program Manager, the WSDOT Appraisal Program Manager will address issues as they arise throughout the six month review. At the end of the review period, WSDOT will supply a report to FHWA that will include issues and trends. The report will discuss how successful the implementation of the new policy has been and will include a supporting conclusion as to whether the monitoring will end as there are no concerns, that there are significant issues and WSDOT needs to reconsider the policy, or there are some issues and additional monitoring is warranted.